SECTION M - EVALUATION FACTORS FOR AWARD

General Note

The following sections of the Evaluation Factors For Award are provided in DRAFT format to provide prospective offerors with information on the general scope and format of the Phase II RFP. Updates to these sections providing specific details on the scope and content will be provided in the future.

M-1. GENERAL:

a. Your attention is directed to FAR 52.215-1 in Section L, entitled "CONTRACT AWARD," which provides that: "The Government intends to award a contract resulting from this solicitation to the responsible offeror whose proposal represents the best value after evaluation in accordance with the factors and subfactors in the solicitation." This section contains the specific evaluation factors for award of a contract pursuant to this solicitation.

b. Offerors are advised that the Government intends to make award on the basis of initial proposals without conducting discussions with offerors, but reserves the right to conduct discussions if determined by the Contracting Officer to be necessary (see paragraph (f)(4) of FAR 52.215-1). Therefore, each initial proposal should contain the offeror's best terms from a cost or price and technical standpoint.

c. The Government intends to award one contract for performance of the T-ADC(X) Phase II effort set forth in this solicitation. Award will be made only to an offeror whose proposal is determined to be technically acceptable. In this connection, offerors are cautioned that an evaluation of “unsatisfactory” in any single technical factor may result in the offeror's proposal being rated as technically unacceptable and eliminated from further consideration. Further, a deficiency in any technical sub-factor may result in an evaluation of “unsatisfactory” for the applicable factor and, hence, may result in a proposal that is determined to be technically unacceptable. Offerors are further advised that the Government will not evaluate information submitted by offerors that is outside the body of the proposal. Letters of transmittal and/or cover letters that forward the proposal to the Government are not considered part of the body of the proposal.

d. Evaluation of identified option items will not obligate the Government to exercise any such options. Any proposal that is materially unbalanced as to the proposed prices for the basic and the option items, or as to proposed prices between alternative award scenarios, may be rejected as unacceptable. An unbalanced proposal is one that is based on prices which are significantly less than cost for some work and prices which are significantly overstated for other work.

M-2. EVALUATION CRITERIA AND FACTORS:

a. Listed below are the areas that will be evaluated by the Government in selecting a source for performance of the effort described in Section C of this solicitation:

(1) Technical/Management; and
(2) Evaluated Life Cycle Costs.

b. Technical / Management Evaluation: The Government's evaluation of each offeror's Technical/Management Proposal will be based on the factors and subfactors listed below. Offerors are advised that the factors entitled “Cargo Systems Design,” “Approach Used During Contract Design to Lower Life Cycle Costs,” and “Approach To Be Used During Detail Design and Construction to Lower Life Cycle Costs” are individually of equal importance and more important than the “Contract Design” and “Design and Construction Approach” factors, individually. The factors entitled “Contract Design” and “Design and Construction Approach” are of equal importance. The technical evaluation factors are listed below:

(1) Cargo Systems Design

The offerors’ cargo handling systems will be evaluated on their demonstrated efficiency to handle cargo. Cargo handling efficiency is defined as maintaining optimal rates of cargo strike up and strike down while utilizing the minimum number of personnel or minimizing personnel workload. Optimal rates of cargo strike up and strike down are rates which support maximum sustainable intership transfer rates as constrained by other systems (connected replenishment and vertical (helicopter) replenishment) for all required UNREP operational tempos. The extent to which the proposed cargo handling system supports the maximum sustainable transfer rates contained in the System Specification will be evaluated

Cargo handling equipment and cargo stowage and handling system arrangements will be evaluated for the systems ability to reliably operate in the required environment and its suitability for handling the intended cargo. Suitability includes consideration of required maintenance intervals and other factors relative to expected operations tempo.

CONREP Station arrangements will be evaluated to ensure that configuration and equipment locating distances meet the System Specification. CONREP Station alignment will be evaluated to ensure that station locations are within the tolerances specified in the System specification.

Risk of proposed systems will be evaluated based on the systems’ previous history combined with the offerors risk reduction plan.

(2) Contractor’s Phase I Contribution to Lower Life Cycle Costs

The offerors implementation of cost reduction efforts during the Phase I design/ship systems integration phase will be evaluated for its contribution to a design likely to achieve reductions in construction, operations, maintenance and disposal costs.

(3) Approach To Be Used During Detail Design And Construction To Lower Life Cycle Costs

The offerors proposed approach to reducing construction, operations, maintenance and disposal costs during Detail Design and Construction will be evaluated based on reasonableness and potential for reductions.

(4) Contract Design

The offerors Contract design package will be evaluated against the requirements of the System Specification. Key factors include sustained speed, endurance, survivability, cargo capacity, dimensional constraints, and the ability to reliably perform the mission in the stated environmental conditions.

Risk of proposed systems will be evaluated based on the systems previous history combined with the offerors risk reduction plan.

(5) Design and Construction Approach

The offerors Detail Design and Construction approach will be evaluated on the ability to successfully perform the effort and deliver the ships that meet proposed performance parameters, in accordance with the schedule and at the costs that are proposed. Key factors include resources (including facilities), past performance, construction approach, systems engineering and detail design approach, test and evaluation program and the proposed Integrated Data Environment.

Technical Factors will be rated at the factor level only. Technical sub-factors will not be individually rated.

Offerors are again cautioned that an unsatisfactory evaluation in any single factor may result in the proposal being rated unacceptable overall. A significant deficiency in one area of an offeror's Technical Proposal will not necessarily be offset by strengths in other areas.

c. Evaluation of Life Cycle Costs:

Listed below are the major components (procurement and the operations and support costs) the Government will consider in its evaluation of overall Life Cycle Costs for the T-ADC(X) Class Ships to be acquired under this solicitation. The operations and support cost element structure was derived from the Naval Center for Cost Analysis (NCCA) Operating and Support Cost Analysis Model (OSCAM)). The Government will evaluate total life cycle cost on a net present value basis, using a discount rate of _**TBD**__percent, which has the effect of making near term (procurement) costs more important than future

costs. The evaluated price will be the total of the procurement costs and the operations and support costs.

(1) Procurement Costs;
- (a) Detail design
- (b) Lead ship construction
- (c) Follow ship construction, using baseline profile

(2) Operations and Support Costs;
- (a) Operations Costs
  - (1) Alongside Support Services
  - (2) At Sea Support Services
  - (3) Manning Costs
  - (4) Publications Costs
  - (5) General Stores Costs
  - (6) Fuel Costs
  - (7) Petroleum, Oil & Lubes Costs
  - (8) Ordnance Costs
  - (9)Disposal Costs
- (b) Maintenance Costs
  - (1) O-level Costs
  - (2) I-Level Ashore Costs
  - (3) I-Level Contractor Support Costs
  - (4) Rework Costs
  - (5) Overhaul Costs
  - (6) Trials Costs
  - (7) Software Maintenance Costs
- (c) Training Costs
- (d) Engineering Technical Services Costs
- (e) Total Operating & Support Costs
- (f) Cumulative Operating & Support Costs

These factors will be evaluated for a fleet of 12 ships as set forth below:

(3) Procurement Costs:

(a) Proposed Prices:

Experience in Navy programs indicates that a contract awarded to a contractor submitting an unrealistically low price proposal (whether resulting from a decision on the part of the contractor to submit a price below anticipated costs; from inaccurate, incorrect or improper assumptions in the cost, technical, or other areas; from a lack of understanding of the contract requirements, or other circumstances) may cause problems for the Navy as well as the contractor during contract performance. Such problems may include the incurrence of significant cost

overruns which may substantially impair the contractor's ability to construct and deliver the required ships in a timely manner, resulting in significant delays and disruptions which might place the entire T-ADC(X) Program in jeopardy.

This solicitation requests price proposals for ships beyond the lead ship in two purchasing profiles, a baseline profile and one alternative. Offered prices for the two profiles must be consistent with each other.

Accordingly, offeror's are cautioned that **SHOULD THE GOVERNMENT, IN THE EXERCISE OF ITS JUDGMENT, DETERMINE THAT A PRICE PROPOSAL SUBMITTED AS A RESULT OF THIS SOLICITATION IS UNREALISTICALLY LOW, THE GOVERNMENT MAY REJECT THE PROPOSAL, REGARDLESS OF ITS TECHNICAL MERIT AND/OR EVALUATED PRICE TO THE GOVERNMENT.**

(b) Procurement Cost Realism Evaluation:

A detailed review of each offeror's pricing proposal will be made to assess and evaluate the realism of the offeror's proposed target prices for CLIN 0001-0XXX. The Government will evaluate the realism of these target prices by considering the offeror's proposed labor hours, labor rates, material costs, burden rates and other costs in light of data available to the Contracting Officer, including the relationship of such proposed labor hours and costs to the effort described in the offeror's technical proposal, and Government estimates for: (1) direct labor hours, (2) material costs, (3) direct labor costs, (4) overhead and G&A costs, and (5) any other costs which are likely to be incurred by the offeror in performance of the requirements of the solicitation.

On the basis of the above analysis, the Government will calculate an "Estimated Final Price to the Government" for CLINs 0001-0XXX in accordance with the contract clause entitled "INCENTIVE PRICE REVISION (FIRM TARGET) (FI) (90-1)," provided, however, that such Estimated Final Price to the Government shall not exceed the offeror's proposed total Ceiling Price for CLINs 0001-0XXX. If the Government's evaluated total cost for performance of individual contract line items exceeds the respective proposed ceiling prices, the proposal may be judged unrealistically low.

The Government will calculate the total evaluated procurement cost to the Government for each offer by adding together the following values:

The Estimated Final Price to the Government for CLINs 0001-0XXX, as set forth in paragraph 2, above, after applying the discount factor to reflect the timing of the baseline acquisition profile; and

The sum of the associated rental charges (if any) for use of Government facilities, special tooling and special test equipment, as specified by each offeror, in accordance with Section L-38 of the Solicitation (calculated in accordance with FAR 52.245-9, "Use and Charges"). These amounts shall be similarly discounted to reflect the timing of the baseline acquisition profile (for evaluation purposes only).

(4) Operations and Support Costs:

(a) The offeror's proposed Operations and Support costs will be evaluated using the OSCAM model. The OSCAM input data and the rationale for the input provided by the offeror will be evaluated for realism. The Government will calculate the costs using the offeror's proposed inputs adjusted to reflect its assessment of the proposed inputs relative to the proposed design. On the basis of the above analysis, the Government will calculate "Estimated Operations and Support Costs to the Government" for the design life of the ships up to 40 years. The costs calculated for Operations and Support Costs will be used for evaluation purposes only.

M-3. BASIS FOR AWARD:

Award will be made to that offeror whose technically acceptable proposal is determined to represent the "best value" to the Government in accordance with the evaluation factors and process set forth in Section M-2, above. In making its "best value" determination, the Government will consider evaluated life cycle cost equal to overall technical merit. The Government may award any resulting contract to other than the offeror submitting the lowest-priced proposal.